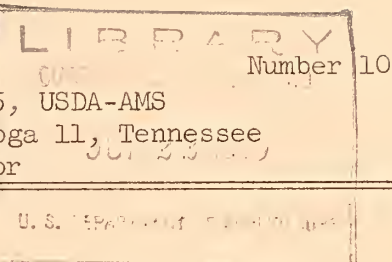


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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA



Volume 3

May 1959

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY - May 1959

The Chattanooga Tennessee order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$4.59, Excess Milk \$2.99. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%. The Chattanooga Area Milk Producers Association reports a producer premium blend of 19 cents per cwt. for May Base milk deliveries or a net Base price of \$4.78.

During May 69.1% of the total producer milk was priced in Class I at \$4.97 per cwt. with a butterfat differential of 7.5 cents and 30.9% was priced in Class II at \$3.03 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 69.4% and 60.0% respectively. Base milk was 85.6% and excess milk was 14.4% of the total producer deliveries. All excess milk and 19.3% base milk was priced in Class II and 80.7% of base milk was priced in Class I.

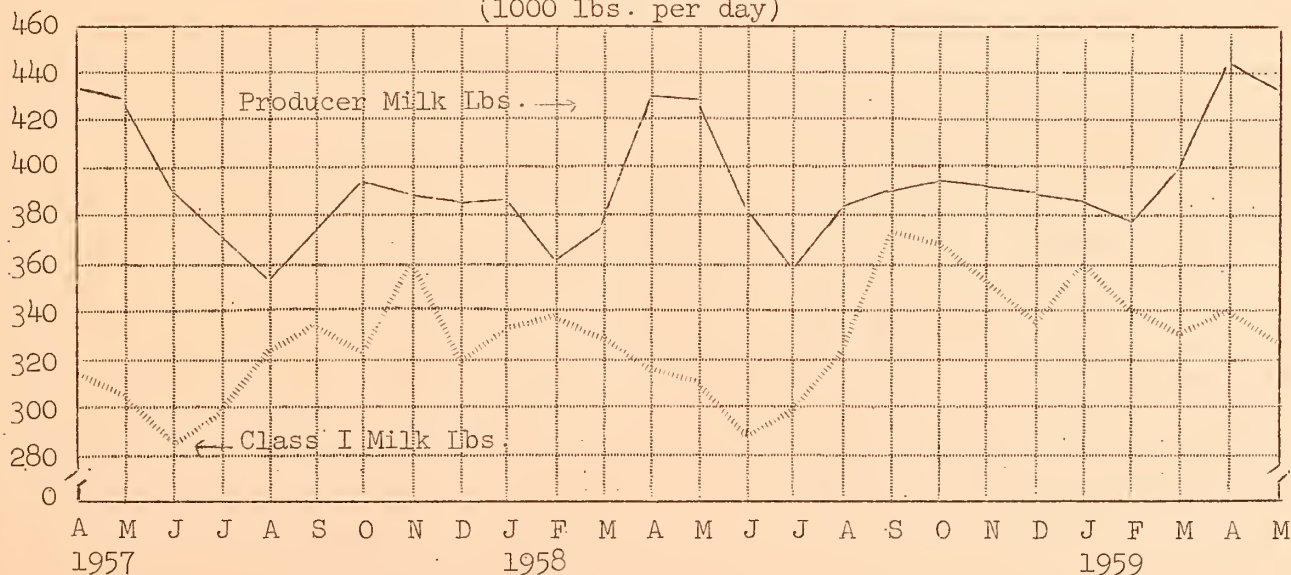
The daily average deliveries of producer milk during May decreased 2.3% compared with April and increased 1.0% compared with May 1958. The daily average use of Class I milk decreased 3.5% compared with April and increased 5.6% compared with May 1958. The daily average base deliveries was 94.7% of the established base.

ACTIVITIES OF CHECK TESTERS May 1959: Plant Scales checked 4; Plant calls 100; Samples tested - Composite 1,436, Fresh 5,111, Finished Products 213.

NUMBER OF FARM PAYROLL ACCOUNTS

	1958								1959				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Can	600	586	553	516	490	474	449	433	427	413	400	390	362
Tank	191	201	229	265	289	303	319	331	334	342	349	353	380
TOTAL	791	787	782	781	779	777	768	764	761	755	749	743	742
New	0	0	2	18	23	6	2	3	4	0	2	2	1
Quit	7	4	7	19	25	8	11	7	7	6	8	8	2

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(1000 lbs. per day)



June is Dairy Month

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	May '59	Apr. '59	May '58
Number of Plants (Pool and Non-Pool)	19	19	21
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	183,973	196,822	287,838
Producer Milk - Bulk Tank	249,556	246,887	141,418
Total Producer Milk Pounds	433,529	443,709	429,256
% May '59 compared with:	100.0	97.7	101.0
Other Source Milk Pounds	10,051	9,667	5,076
Other Order Milk Pounds	25,486	26,516	23,832
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>469,066</u>	<u>479,892</u>	<u>458,164</u>
% May '59 compared with:	100.0	97.7	102.4
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	272,272	283,189	257,619
Buttermilk	38,415	37,917	37,844
Chocolate Milk	6,774	6,982	6,559
Fluid Skim	7,699	7,940	6,641
Fluid Creams	2,636	2,197	2,353
Bulk to Non-Handlers	707	1,123	74
Class I Shrinkage	1,018	1,873	1,001
Inventory Reclassification	(556)	(248)	(700)
Total Class I Milk	328,965	340,973	311,391
% May '59 compared with:	100.0	96.5	105.6
Class II Milk Pounds (Used to Produce)			
Butter	1,610	2,190	1,291
Cottage Cheese	12,776	14,151	10,657
Powdered and Condensed Milk	87,039	81,974	108,227
Ice Cream	30,299	28,021	27,139
Inventory Variation	(1,266)	2,196	(9,864)
Other	9,643	10,387	9,323
Total Class II Milk	140,101	138,919	146,773
% May '59 compared with:	100.0	100.9	95.5
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>469,066</u>	<u>479,892</u>	<u>458,164</u>
% Producer Milk of Gross Class I	131.8	130.1	137.9
% Delivered Base of Gross Class I	112.8	110.5	118.6
% Delivered Base priced in Class I	80.7	82.3	77.8
% Producer Milk priced in Class I	69.1	69.8	66.9

JUNE 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	June '59	May '59	June '58
Basic Formula (See page 4)	\$3.34	\$3.34	\$3.33
Plus (\$ 1000.51(a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	(0.04)	(0.12)	(0.12)
Class I Price, 4.0% Butterfat	\$5.05	\$4.97	\$4.96

Per \$ 1000.51(a)

Supply-Demand Comparison: 1st and 2nd preceding months: April and May	
Supply: Lbs. Producer Milk (Apr. 13,311,266 and May 13,439,384)	26,750,650
Demand: Lbs. Net Class I Milk (Apr. 9,572,593 and May 9,547,819)	19,120,412
Utilization Percentage: Producer milk divided by Class I	140
Standard Utilization Percentage: Range 134-138	138
Net Deviation Percentage: Utilization minus Standard Utilization	plus 2
Supply-Demand Adjustment: 2 cents x 2 percentage points	minus \$0.04

Since the supply in relation to the demand is more than the desired standard, the price is decreased 4 cents per hundredweight (2 cents x 2 percentage points).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR MAY 1959

Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		10,197,923	3.596		
Less Other Source		917,259	3.721		
Producer Milk Class I	69.1	9,280,664	3.583903	\$4.657927	\$432,286.55
Gross Class II		4,343,132	5.115		
Less Other Source		184,412	0.201		
Producer Milk Class II	30.9	4,158,720	5.332963	3.923085	163,150.12
TOTAL PROD. (CL. I + CL. II)	100.0	13,439,384	4.125137		595,436.67
Add Fractional Adjustment					.04
Add Compensatory Payment Value					2,425.34
Add Overage Value					208.79
Add Inventory Reclass. Value					279.85
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,528.13
TOTAL VALUE AT TEST		13,439,384	4.125137		603,878.82
Less Test over 4% @ 7.2¢ per point		13,439,384	.125137	.090099	12,108.75
TOTAL PRODUCER MILK VALUE AT 4% TEST		13,439,384	4.0		591,770.07
		Pounds	Price-4%	Value	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,938,906	\$3.03	\$58,748.85	
Total Excess Producer Milk		1,938,906	3.03	58,748.85	
Less Prod.-Settlement Fund Res. @ 4¢		1,938,906	.04		775.56
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,938,906	2.99		57,973.29
Value of Base Milk (Total less Excess)		11,500,478	4.634774		533,021.22
Less Producer-Settlement Fund Reserve		11,500,478	.044774		5,149.22
UNIFORM BASE PRICE f.o.b. PLANT - 4%		11,500,478	\$4.59		\$527,872.00

MAY 1959 MINIMUM PRODUCER PRICES CWT f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$3.87	\$2.27	4.0%	\$4.59	\$2.99	5.0%	\$5.31	\$3.71
3.05	3.906	2.306	4.05	4.626	3.026	5.05	5.346	3.746
3.1	3.942	2.342	4.1	4.662	3.062	5.1	5.382	3.782
3.15	3.978	2.378	4.15	4.698	3.098	5.15	5.418	3.818
3.2	4.014	2.414	4.2	4.734	3.134	5.2	5.454	3.854
3.25	4.05	2.45	4.25	4.77	3.17	5.25	5.49	3.89
3.3	4.086	2.486	4.3	4.806	3.206	5.3	5.526	3.926
3.35	4.122	2.522	4.35	4.842	3.242	5.35	5.562	3.962
3.4	4.158	2.558	4.4	4.878	3.278	5.4	5.598	3.998
3.45	4.194	2.594	4.45	4.914	3.314	5.45	5.634	4.034
3.5	4.23	2.63	4.5	4.95	3.35	5.5	5.67	4.07
3.55	4.266	2.666	4.55	4.986	3.386	5.55	5.706	4.106
3.6	4.302	2.702	4.6	5.022	3.422	5.6	5.742	4.142
3.65	4.338	2.738	4.65	5.058	3.458	5.65	5.778	4.178
3.7	4.374	2.774	4.7	5.094	3.494	5.7	5.814	4.214
3.75	4.41	2.81	4.75	5.13	3.53	5.75	5.85	4.25
3.8	4.446	2.846	4.8	5.166	3.566	5.8	5.886	4.286
3.85	4.482	2.882	4.85	5.202	3.602	5.85	5.922	4.322
3.9	4.518	2.918	4.9	5.238	3.638	5.9	5.958	4.358
3.95	4.554	2.954	4.95	5.274	3.674	5.95	5.994	4.394

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
May '58	\$4.35 ² / ₂	\$4.58 ¹ / ₁	\$2.94	7.2¢	\$5.08 ¹ / ₁	7.5¢	\$2.98	6.6¢
June	4.33 ² / ₂	4.48 ¹ / ₁	2.95	7.2	4.96 ¹ / ₁	7.5	2.99	6.6
July	4.48 ² / ₂	4.62 ¹ / ₁	3.01	7.2	4.95 ¹ / ₁	7.5	3.05	6.6
Aug.	4.59 ¹ / ₁	-	-	7.2	5.06 ¹ / ₁	7.5	3.10	6.7
Sept.	4.77 ¹ / ₁	-	-	7.4	4.96 ¹ / ₁	7.6	3.45	6.9
Oct.	4.86 ¹ / ₁	-	-	7.6	5.14 ¹ / ₁	7.8	3.36	6.7
Nov.	4.88 ¹ / ₁	-	-	7.4	5.23 ¹ / ₁	7.6	3.35	6.7
Dec.	4.80 ¹ / ₁	-	-	7.2	5.17 ¹ / ₁	7.5	3.46	6.9
Jan. '59	4.88 ¹ / ₁	-	-	7.4	5.21 ¹ / ₁	7.8	3.33	6.6
Feb.	4.79 ¹ / ₁	-	-	7.2	5.18 ¹ / ₁	7.5	3.21	6.6
Mar.	4.67 ² / ₂	4.82 ¹ / ₁	3.11	7.2	5.21 ¹ / ₁	7.5	3.15	6.6
Apr.	4.49 ² / ₂	4.74 ¹ / ₁	3.04	7.2	5.12 ¹ / ₁	7.5	3.08	6.7
May	4.36 ² / ₂	4.59 ¹ / ₁	2.99	7.2	4.97 ¹ / ₁	7.5	3.03	6.7
June	-	-	-	-	5.05 ¹ / ₁	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula
	Mid-West	Chi. 92°	Chi. Area	Wisc.	(\$-cwt-4%)				
	Cond.	Butter	Powders	Cheese	Mid-West	Butter	Butter	4 Tenn.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk Mfg.	\$-cwt-4%
May '58	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45
Oct.	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of		Farm -- Pounds			Milk
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.	Prod.	Prod.	Base	Exc.	Test %
May '58	311,391	287,275	429,256	369,197	458,164	21	791	543	467	76	4.22
June	288,811	265,772	382,696	344,531	411,822	21	787	486	438	48	4.11
July	299,494	276,327	359,507	328,120	389,291	21	782	460	420	40	4.16
Aug.	323,673	297,905	383,592	-	414,637	21	781	491	-	-	4.11
Sept.	374,368	347,589	392,411	-	426,999	21	779	504	-	-	4.17
Oct.	370,590	345,910	395,523	-	426,160	20	777	509	-	-	4.36
Nov.	355,410	328,935	392,877	-	425,836	20	768	512	-	-	4.43
Dec.	337,125	310,803	389,617	-	424,678	20	764	510	-	-	4.51
Jan. '59	362,182	334,475	388,058	-	423,437	20	761	510	-	-	4.46
Feb.	341,115	310,826	378,445	-	415,886	20	755	501	-	-	4.32
Mar.	332,287	301,533	399,983	365,323	434,812	20	749	534	488	46	4.27
Apr.	340,973	309,923	443,709	376,673	479,892	19	743	597	507	90	4.14
May	328,965	299,376	433,529	370,983	469,066	19	742	584	500	84	4.13

¹/ Excludes Premium²/ For statistics only³/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Dairy Division
CHATTANOOGA TENNESSEE MILK MARKETING AREA
Federal Order No. 100

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

The Market Administrator received the following request from the Chattanooga Area Milk Producers Association:

"Whereas, A determination was made by the Market Administrator in June 1958 that there was no substantial opposition by milk producers to the making of deductions for the support of the Dairy Council and the American Dairy Association in the Chattanooga area, and,

"Whereas, The Chattanooga Area Milk Producers Association, representing a substantial number of milk producers, continues to endorse and commend these programs, and,

"Whereas, The individual milk producer may, by written request, prevent the deductions if he does not desire to cooperate, and,

"Whereas, It is important that all Chattanooga dairymen be offered the opportunity to collectively continue supporting these educational, advertising, merchandising, research and public relations programs,

"Now, Therefore, Be It Resolved, That the Chattanooga Area Milk Producers Association request that the Market Administrator renew or continue the determination that there is no substantial opposition by milk producers in the Chattanooga area to making deductions for the support of the Dairy Council and American Dairy Association.

"Be It Further Resolved, That if the Market Administrator renews or continues the determination referred to in the preceding paragraph, deductions of 1 cent per hundredweight for Dairy Council and 2 cents per hundredweight for American Dairy Association be continued until further action by the Board."

Pursuant to the Chattanooga Area Milk Producers Association's resolution and other means, the Market Administrator hereby determines there is no substantial opposition to these programs by milk producers in the Chattanooga area. It is possible, under this determination, for handlers to cooperate with the Dairy Council and American Dairy Association programs by making specific hundredweight deductions from their payments to milk producers (1¢ DC and 2¢ ADA), provided the handler gives each producer advance notice of his intentions to make these deductions for one year beginning July 1959. All handlers are advised not to make the "set aside" if a producer writes requesting that no deduction be made.

/s/ J. B. McCroskey
Market Administrator

Date: June 11, 1959

